

REPORT TO THE CITY COUNCIL



DATE: April 21, 2020

TITLE: Borrego Health Temporary Funding Request to Operate the Desert Hot Springs Recreation Center during the COVID-19 Pandemic

Prepared by: Doria Wilms, Assistant City Manager

RECOMMENDATION

Consider a temporary funding request in the amount of \$100,000.00 to Borrego Health to assist with the day to day costs of operating the Desert Hot Springs Recreation Center for the children of essential workers in Desert Hot Springs during the COVID-19 pandemic.

DISCUSSION

On April 9, 2020 the City Manager's Office received a letter from Mikia Wallis, Chief Executive Officer of Borrego Health notifying the City of a significant financial crisis Borrego Health is facing due to the COVID-19 pandemic. Her letter noted that until now, Borrego Health has been able to fund and sustain the Desert Hot Springs Recreation Center through program revenue. She went on to state that every effort is being taken to continue operating the childcare center full time through June while the schools are out. This will require Borrego Health to incur additional expenses, including bringing staff on full time, frequent surface cleaning, and additional purchase of personal protective equipment. Additional cost of snacks, water and other supplies is also anticipated.

Borrego Health now faces a significant financial crisis due to the COVID-19 situation. The organization has experienced a 50% decrease in medical visits and a 90% decrease in dental visits. Ms. Wallis noted that although Borrego Health has dramatically built capacity for tele-health and tele-dentistry, it has not been anywhere near sufficient to offset their current operating losses.

Borrego Health is anticipating monthly operating losses of \$50,000 per month for the continued operation of the Desert Hot Springs Recreation Center. Based on their current situation, they expect to lose approximately \$200,000 between March and June 30, 2020. They are requesting that the City evaluate their needs and consider providing financial support so the program can be sustained through this crisis.

On Tuesday, April 14, 2020 the City Manager and Assistant City Manager spoke with Ms. Wallis via conference call to discuss the temporary funding request. During this call the City Manager explained that the City is experiencing its own financial shortfalls due to COVID-19. It was agreed that \$100,000 would go a long way to assist Borrego Health during this crisis, which is why the Council is being asked to consider a funding request in an amount that is less than the \$200,000.00 shortfall referenced in Borrego Health's initial funding request letter.

FISCAL IMPACT

Since this request will assist funding the children's center at the Health and Wellness Center, the City can utilize the Furbee legacy funds. Currently there is \$359,000 in the special account set aside for these funds and \$124,000 of it has been encumbered for improvement projects at the Furbee pool. The City will also be receiving an additional \$150,000 to \$200,000 for the remaining legacy in the next few months. If this request is approved, it will create an additional budget authority in the amount \$100,000 in line item 211-44-54-4320 Contract Services to make the payment to Borrego.

EXHIBIT(S): 1) Borrego Health Funding Request Letter